



The California Managed Risk Medical Insurance Board
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Board Members

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Richard Figueroa
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Jack Campana
Kimberly Belshé
Sunne Wright McPeak

November 15, 2006

MEMORANDUM

Regarding: The 2007-09 Proposal Solicitation for Evaluation of Mental Health and Substance Abuse Services in the Healthy Families Program

The Managed Risk Medical Insurance Board's (MRMIB) is requesting proposals for an evaluation of mental health and substance abuse services provided to Healthy Families Program children. The contract will have a two year term and will be for \$266,000. The packet contains the necessary information to prepare a proposal for providing research and evaluation services to the MRMIB for the period May 2007 through May 2009.

KEY DATES:

December 20, 2006	Solicitation for Phases II & III presented to board as action item and posted on MRMIB website as well as advertised in the State Contracts Register.
January 11, 2007	Questions for bidders conference due to MRMIB
January 18, 2007	Bidders Conference at MRMIB
January 25, 2007	MRMIB to distribute answers to Q&A
February 21, 2007	Solicitation proposals due by 5pm.
March 28, 2007	MRMIB staff to recommend proposal to board as action item.
April 2007	MRMIB to present contract award

MRMIB is requesting all interested parties to review the draft solicitation document and send comments to rmejia@mrmib.ca.gov before 5:00 p.m. on December 1st 2006.



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DRAFT

November 15, 2006

**Managed Risk Medical Insurance Board (MRMIB)
2007-2009 Proposal Solicitation
For Evaluation of Mental Health and
Substance Abuse Services Provided to Subscribers Enrolled in the
Healthy Families Program**

This notice provides important information:

The Managed Risk Medical Insurance Board's (MRMIB) is requesting proposals for an evaluation of mental health and substance abuse services provided to Healthy Families Program children.

The contract will have a two year term and may be extended by amendment for additional periods of time if the State, at its discretion, decides to seek such extensions.

This packet contains the necessary information to prepare a proposal for providing research and evaluation services to the MRMIB for the period May 2007 through May 2009.

Entities wishing to submit a proposal must ensure completed proposals are received at the MRMIB offices no later than 5 P.M. on February 21, 2007. Late submissions will not be accepted.

BACKGROUND

Among other benefits, the HFP provides mental health services and alcohol and substance abuse treatment services for children.

Mental Health Services

Two delivery systems provide comprehensive mental health services:

1. **Health plans participating in the HFP:**
 - a) Provide basic mental health care for HFP children.
 - b) Provide inpatient and outpatient services for most mental health conditions limited to 30 days of inpatient and 20 outpatients visits per benefit year excluding Severe Mental Illness (SMI) for which there are no limits.
 - c) Refer children suspected of having Serious Emotional Disturbance (SED) to county mental health departments.
 - d) Provide the first 30 days of inpatient care for a child suspected of having SED. At a plan's discretion, any of the following may be substituted for each day of inpatient care:
 - Two (2) days of residential treatment,
 - Three (3) days of day care treatment, or
 - Four (4) outpatient visits.
2. **County mental health programs for children referred for suspicion of SED:**
 - a) Perform an assessment of the child suspected of having SED within five days of referral if the child is an inpatient or thirty days if the child is an outpatient.
 - b) Cover inpatient services for children identified as SED beyond the first 30 days for SED treatment.
 - c) Cover all outpatient services for SED children.

Alcohol and Drug Abuse Services

HFP health plans provide the following services:

1. Hospitalization for alcoholism or drug abuse.
2. Outpatient crisis intervention and treatment of alcoholism or drug abuse (limited to 20 visits per benefit year).

Data Collection Presently Collected

The HFP program does not have claims or encounter data although it is preparing to do so. The only information HFP has on services is:

Mental Health

1. Mental Health Services Utilization report which contains information on HFP Plan's referrals to County Mental Health Programs for children suspected of having an SED condition as well as information on utilization rates of basic mental health services. It can be found at the MRMIB website: www.mrmib.ca.gov/MRMIB/Mental_Hlth_Rpts.html
2. MRMIB collected one HEDIS measure, *Follow-up After Hospitalization for Mental Illness* for a number of years. However, it was determined to be a poor measure and MRMIB discontinued its use in 2006. MRMIB has replaced this measure with *Mental Health Utilization*. Data collection for this measure began in 2006 and it will be available in June 2007. *Mental Health Utilization* measures the number and percentage of members, by age and sex, receiving mental health services during the measurement year in four categories of service:
 - any mental health services (inpatient, day/night, ambulatory)
 - inpatient mental health services
 - day/night mental health services
 - ambulatory mental health services

Substance Abuse

1. MRMIB collects one HEDIS measure, *Alcohol and Other Drug Services Utilization*. This measure has been in use since 2003 and two years of data are available.

In completing Phases II and III of this study, the contractor will have access to the following data:

- HEDIS measures on mental health and substance abuse up to the present date
- annual utilization reports on SED referral rates
- active cases for both SED and basic mental health treatment services
- subscriber medical records from plans
- HFP Plan Fact Sheets which include pertinent information on how each plan administers mental health and substance abuse services.

Further information on HEDIS reports can be found at www.mrmib.ca.gov/MRMIB/QM_HEDIS_Rpts.html.

More information about HFP is available on the MRMIB website at www.mrmib.ca.gov

Given the complexity of the delivery system for mental health and substance abuse services, MRMIB is conducting a three-phased project to evaluate the delivery of these services in the HFP:

- Phase I –This phase consisted of an evaluation of SED services provided through county mental health programs. The focus of this evaluation was to determine whether HFP subscribers are receiving adequate SED treatment services and to assess the adequacy of coordination of SED services between plans and counties. Phase I was completed by the researchers at the University of California, San Francisco (UCSF) and the final report can be found on our website at: <http://www.mrmib.ca.gov/MRMIB/HFP/MentalHlthRpt06.pdf>.
- Phase II will consist of an evaluation of mental health services provided by health plans, including issues that were identified as needing follow-up in Phase I above.
- Phase III will consist of an evaluation of substance abuse services provided by health plans, with special emphasis on services provided for co-occurring disorders.

This proposal addresses Phase II and Phase III of the evaluation. The objectives of the Phase II and Phase III are:

1. Assess the utilization of services and extent to which this level of utilization addresses need.
2. Assess coordination of services with primary health care.
3. Make recommendations and propose strategies to decrease barriers to service
4. Assess plan use of quality and outcome measures
5. Make recommendations to improve the delivery system to ensure appropriate and quality care
6. Identify standardized mental health and substance abuse screening tools that could be implemented in the HFP.

Phase II and Phase III will address the following issues:

Assessment of Plan Services

{Note: For those items requiring medical records review, MRMIB, in consultation with contractor, will work with plans to obtain needed data}

- Subscriber utilization of plan provided mental health and substance abuse services, by type of service, and the extent to which the utilization is consistent with need. Review of subscriber utilization to determine any variation in utilization by ethnicity or language.
- Assessment of extent to which and how services are coordinated with physical health care.
- Assessment of extent to which plans use behavioral health subcontractors to provide mental health/substance abuse services. Does use of subcontractors complicate coordination with physical health services?
- Assessment of use of quality and outcome data for children receiving services.
- Standards used in determining which providers offer substance abuse services.
- Process by which child is referred by the plan to a mental health or substance abuse treatment provider. Length of time before child is identified as needing services and wait time before getting services from HFP and county mental health plans. Analysis of arrangements, if any, made by HFP plan for further substance abuse services once the maximum limit is reached.
- Measure the degree of overlap of mental health professionals providing basic mental health and SED treatment in both HFP and Medi-Cal.

Assessment and Screening Tools

- Review types of standardized child/adolescent mental health and/or substance abuse assessment tools and provide recommendations on the most appropriate tool for HFP.
- Identification of any tools presently used by HFP plans and information about how the tools are used.

Multi-cultural Issues

- Review barriers to services particular to HFP's ethnic populations and make recommendations on how to improve service delivery.

Assessment of Value of County Substance Abuse Services

- Assessment of feasibility of HFP plans contracting with county substance abuse programs for delivery of service. Assessment to address varying needs of urban and rural counties.

FUNDING AND CONTRACT MECHANICS

The estimated amount of this contract over the two years is \$266,000 (approximately \$133,000 each year). The successful contractor will be paid for completion of the final reports for each phase. Progress payments will be made for set milestones in the development of each report, with final payment to be made upon completion of a quality report for each phase which meets the standards of the Board.

CONTRACTING PROCESS

The enabling legislation for the MRMIB's four current programs, MRMIP, AIM, HFP and C-CHIP, exempts the MRMIB from the provisions of State law related to formal competitive bidding. MRMIB will use a competitive negotiation process to select a contractor. The competitive negotiation process is not a Request for Proposal. Rather, it is a dynamic, competitive process, through which the State can evaluate and test, through a negotiation process, the strengths and weaknesses of potential vendors and their proposals, and make a final selection based on the State's evaluation of the competitors. The goal of the negotiation process is to obtain a high quality level of service at a competitive price.

The State may, at its election, accept proposals as submitted and make its selection based on those proposals. Alternatively, other information may be sought from some or all potential vendors by way of oral presentations or additional submissions. In addition, potential vendors may be asked to enter into negotiations with the State, and to discuss matters of concern to the State, such as modifications requested by the potential vendor or the State, as well as changes in task descriptions and/or price and changes in the approach provided by the potential vendor in key tasks. The State will conduct an analytical review and evaluation of each vendor proposal consistent with the Board's selection criteria articulated below, or such other criteria that the State may choose to include as this selection process progresses. No one area of the State's selection criteria is more important than any other area. The State is the sole judge of proposed changes and proposed alternative methods for achieving desired contractual outcomes.

Any and all awards made pursuant to this solicitation will be made in accordance with the State's determination, at its sole discretion, of its best interest. The State reserves the right, at its sole discretion, to reject any or all proposals or other

submissions for any reason and at any time. Nothing in these solicitation documents constitutes a representation by the State to the effect that any contract will be awarded to any vendor.

All costs incurred by potential vendors in connection with this selection process will be borne by the potential vendors and not by the State. The State makes no representation that any document or other information submitted pursuant to this solicitation can or will be kept confidential by the State, even if such document or other submission is marked or otherwise indicated to be proprietary or otherwise confidential.

At the State's option, oral presentations may be required of bidders.

CONTACT PERSON

The contact person for this solicitation is Ruben Mejia, Mental Health Program Specialist, who can be contacted at rmejia@mrmib.ca.gov. However, all questions concerning this solicitation package and the selection process should be directed to ResearchEvaluation@mrmib.ca.gov

KEY DEADLINE DATES:

December 20, 2006	Solicitation for Phases II & III posted on MRMIB website and advertised in the State Contracts Register.
January 11, 2007	Questions for bidders conference due to MRMIB
January 18, 2007	Bidders Conference at MRMIB
January 25, 2007	MRMIB to distribute answers to Q&A
February 21, 2007	Solicitation proposals due by 5pm. NO LATE PROPOSALS WILL BE ACCEPTED.
March 28, 2007	MRMIB staff to recommend proposal to board as action item.
April 2007	MRMIB to present contract award.

BIDDERS CONFERENCE

A meeting of interested potential vendors will be held on **January 18, 2007** from 2:00 pm to 4:00 pm at the MRMIB offices located at 1000 G Street, Suite 450, Sacramento, California. At the meeting, MRMIB staff will describe the solicitation, process of submission and answer potential vendors' questions. Questions should be submitted in writing one week prior to the Bidders Conference. Written responses to questions will be provided to all potential vendors after bidder's conference.

After the staff has completed the competitive negotiation process, MRMIB will select a vendor at its **March 28, 2007** board meeting. The effective date of the contract is expected to be sometime in **April 2007**.

SELECTION CRITERIA

The State will select a vendor based on an assessment of the best overall value to the State.

The State will review responses to this solicitation in their entirety using the following factors:

Minimum Qualifications

The State will only accept proposals from vendors who meet the following minimum qualifications:

1. Experience in analysis and evaluation of public and private health care delivery systems.
2. Absence of professional relationships that pose potential conflicts of interests with the vendor's obligations to the State and that cannot be managed consistent with the needs of the State. In evaluating the vendor's potential conflicts, the State will determine, in the State's sole discretion, whether any of the vendors' professional relationships constitute conflicts of interest that cannot be managed consistent with the needs of the State or to the satisfaction of the State. The Board reserves the right to resolve potential conflicts through negotiations with a vendor over staffing assignments for the contract.
3. Capacity to review and have an understanding of medical records.

Proposals which do not meet these minimum qualifications will not be further evaluated and will be eliminated from the competitive negotiation process.

Desirable Qualifications

Vendors which meet the minimum qualifications will be further evaluated as follows:

1. Background Qualifications. This includes:
 - Expertise in evaluation of mental health and substance abuse services particularly in the area of services to children.
 - Experience working with multi-cultural populations.

- Knowledge and experience of assigned professional staff.
- Presence of organization structure demonstrating overall accountability and accessibility of assigned staff.
- Availability and relevance of data sources.
- Extent of experience consulting with public sector programs.
- Ability to communicate to participants in both English and Spanish.
- Information gathered from references provided as part of the proposal.

2. Proposed Approach and Methodology for Key Tasks

- Understanding of the issues and concerns of the HFP as demonstrated through the vendor's proposal.
- Originality, practicability and feasibility of the vendor's approach to the identified key tasks for Board programs.
- Ability to communicate clearly and effectively to persons without research experience, as demonstrated by the written approach to each task, and the competitive negotiation process.
- Demonstrated ability to utilize in house and outside data sources in an effective manner to advise the State on task solutions.
- Cost effectiveness in completing tasks.
- Demonstrated ability to convene multi-cultural focus groups.

3. Potential Project Cost

- The proposed hourly rates, staffing levels and time needed to complete tasks are competitive with those proposed by other bidders.
- Appropriate level of staff are proposed for each task.
- Proposed costs adequately reflect the vendor's ability to meet the key tasks.

4. Acceptance/modification of contract language

- A vendor's request to change the language of the Contract in a way that indicates the plan's inability or unwillingness to meet performance and quality standards or

to accept other contractual terms/language will count against the vendor during the evaluation process.

- A vendor's request to change the language of the Contract in a way that the State, at its discretion, concludes will improve to the service levels and/or terms of the Contract will count in favor of the bidder during the evaluation process.

Note: the Model Contract will be included in the final solicitation package. The Scope of Work of the contract will be negotiated as part of the solicitation process.

PROPOSAL FORMAT

A complete proposal includes all of the items listed below.

MRMIB must receive one original and three copies of all requested items in 3 ring binders. Address to:

MRMIB, Attn: Ruben Mejia
1000 G Street, Suite 450
Sacramento, California 95814

Proposals shall be received by 5:00 p.m. on **February 21, 2007. Late submissions will not be accepted.**

- 1) **Cover letter and Proposal:** The cover letter should be on the vendor's letterhead and should be signed by a person able to enter into contracts on behalf of the vendor. The letter should include the name, title, phone, fax number e-mail address of the bidder's contact person for any follow-up contact required by the MRMIB and the Federal Tax Identification number. The cover letter should certify that the vendor meets the minimum qualifications.

The proposal should identify the vendor's strategies for meeting the objectives and key tasks as outlined through this solicitation. The contractor should provide MRMIB with concrete recommendations on how to address needs and obstacles that are identified during the research period and develop follow-up activities that MRMIB can utilize to implement the recommendations.

- 2) **Vendor Qualifications and References:** Submit as Attachment I.
- 3) **Key Task Strategy and Cost Evaluation Worksheets:** Submit as Attachment II.
- 4) **Proposal Cost Format:** Include hourly rates, staffing level subcontractors and other expenses as Attachment III.
- 5) **Use of Subcontractors:** Submit as Attachment IV.

- 6) **Contractor Certification:** A completed and signed Certification, certifying that the vendor is in compliance with State required contractor certification clauses. This should be signed by a person authorized to sign contracts, preferably the person signing the cover letter. Submit as Attachment V.
- 7) **Debarment Certification:** A completed and signed Debarment Certification, required by all vendors in their competition as a condition for receiving Federal funding. This will be included in the final solicitation as Attachment VI.